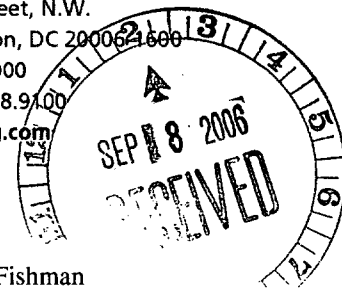




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September 8, 2006

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Via Hand Delivery

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423

**ENTERED
Office of Proceedings**

SEP 8 - 2006

**Part of
Public Record**

Re: ~~S.O. 1526~~ *FD 34931*
**Petitions of Albemarle Corporation for Emergency Service Order and Immediate
Relief Under 49 U.S.C. § 721(b)(4)** *[Signature]*

Dear Secretary Williams:

The Louisiana & North West Railroad ("LNW") hereby responds to the letter filed yesterday afternoon by Albemarle Corporation ("Albemarle") in this proceeding. Albemarle's letter is replete with misleading statements about the adequacy of LNW's service and baseless claims about LNW's common carrier obligations. Albemarle apparently feels that it was entitled to have LNW operate a train yesterday between the KCS interchange in Gibsland and Albemarle's South Plant, a distance of almost 50 miles, because there was at least one carload of benzene awaiting delivery at the Gibsland interchange. Albemarle also takes a swipe at LNW for not providing service on Labor Day, criticizes LNW for not being available for intra-plant switching at Albemarle's beck and call, and falsely claims that "no switching service is provided" on those days when LNW does not perform line haul service (even though Ouachita Railroad is performing intra-plant switching for Albemarle on those days in order to avoid interference with LNW).

Albemarle's letter is based on a fundamental misunderstanding about the common carrier service LNW is obligated to provide and provides no support whatsoever for Albemarle's continued effort to force Ouachita Railroad onto LNW's main line. Allowing Ouachita Railroad personnel onto the LNW property would merely increase the already substantial risk of handling highly toxic chemicals for all parties involved for the sole purpose of allowing Albemarle to avoid paying LNW's applicable charges for intra-plant switching. The Board should not allow Albemarle to further improve its bottom line at the expense of safety and to the continued detriment of LNW.

Contrary to Albemarle's aspersions about motive, LNW did not operate a train yesterday north from Gibsland because there was not enough traffic at the Gibsland or McNeil interchanges to justify the considerable engine, crew, and other expenses involved. LNW is



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operating its train north from Gibsland today to serve Albemarle and other customers (as necessary), and fully expects to provide linehaul service on Monday as long as there is adequate traffic to justify doing so from a cost and operational perspective. LNW will, to the extent consistent with Hours of Service limitations, safety requirements and the needs of its other customers, complete any intra-plant switching that Albemarle requests on those days that LNW serves the South Plant (subject to LNW's request that the Board impose the conditions sought by LNW in its September 6 Response in this proceeding).

LNW generally provides any necessary linehaul service to Albemarle and its other customers on Monday, Tuesday, Thursday and Friday. LNW runs a train north from Gibsland to McNeil on Monday, a return south from McNeil to Gibsland on Tuesday, a train north from Gibsland to McNeil on Thursday, and a return south from McNeil to Gibsland on Friday. However, with shifts in traffic patterns that have occurred in the last 6 months (including a tremendous increase in the percentage of inbound traffic coming in from the KCS interchange in Gibsland), LNW has and will continue to be required to adjust its schedule as appropriate to meet its operational requirements and the needs of all of its customers. LNW is subject to a great deal of uncertainty at the interchange points, where it could be flooded with a delivery of 60-70 cars on a particular day without advance warning or could be left with virtually no traffic to haul on a particular day.

Albemarle fails to mention in its letter that, although LNW did not provide linehaul service last Friday (September 1), LNW did provide extra service for all of its customers (including Albemarle) on Thursday, August 31 in anticipation of not running a train on Friday. As a result of the work requested by Albemarle (a total of 2 and ½ hours) and other customers, LNW's crew ran out of time under the Hours of Service requirements and LNW ended up operating its train south from McNeil on Friday (instead of completing the turnaround movement that LNW had planned to complete on Thursday). However, LNW did not serve Albemarle on Friday because all requested work had been performed at the South Plant the previous day so that Albemarle would be all set for the weekend. Albemarle's claim that LNW did not provide service on 2 of the 6 "scheduled" days between August 31 and September 8 ignores Labor Day, the service LNW provided on Wednesday, September 6, the extra service that LNW provided on Thursday, August 31 and the service that LNW provided today.

If Albemarle wants LNW available at the "drop of a hat" to provide intra-plant switching at the South Plant, Albemarle should attempt to negotiate a commercially acceptable private intra-plant switching agreement with LNW. In the absence of any such contract, and in the



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absence of any legal obligation on LNW to provide line haul service to the South Plant on days when insufficient traffic is available, Albemarle's complaints about LNW ring hollow.

Albemarle has not proven that LNW has violated its common carrier obligation under 49 U.S.C. § 11101 to provide linehaul service to Albemarle upon reasonable request, has no basis for criticizing LNW's rational decision not to operate a train yesterday, and has again failed to justify its continuing effort to force Ouachita Railroad onto LNW's property just so Albemarle doesn't have to pay LNW's lawfully imposed intra-plant switching charges. For all of these reasons, Albemarle's request for an emergency service order should be denied.

Respectfully submitted,

Edward J. Fishman

Attorney for Louisiana and North West Railroad
Company

cc: Martin Bercovici, Esq. (via hand delivery)
Ouachita Railroad Company (via overnight mail)
Federal Railroad Administration (via hand delivery)